

OFFICE OF THE ATTORNEY GENERAL

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STATE OF ALABAMA

NOV 21 1979

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Mixon Jones, Mayor
Town of Gulf Shores, Alabama
P. O. Box 299
Gulf Shores, Alabama 36542

Gulf Shores - Insurance -
Municipalities - Liabilities

Town may not authorize
payment of insurance pre-
miums in order to provide
coverage in excess of
statutory limits on tort
liability of a governmental
entity.

Dear Mayor Jones:

This office has received your opinion request concerning the payment of liability insurance premiums for coverage in excess of the statutory limits of municipal liability set forth in Code of Alabama 1975, §11-93-2. You note that the provisions have not yet been reviewed by the Supreme Court of Alabama.

In an Opinion to James S. Satterfield, Chairman, St. Clair County Commission, under date of December 29, 1977, this office held that in view of the limitation on liability now codified as Section 11-93-2, "excess insurance coverage would serve no practical protective purpose, and payment of premiums for coverage beyond the prescribed limitations would not be in the best interests of the citizens of St. Clair County". A copy of this opinion is enclosed. It is, therefore, the opinion of this office that the Mayor and Council of the Town of Gulf Shores may not

Mixon Jones, Mayor
Page Two

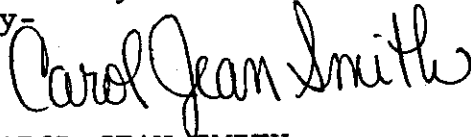
authorize the payment of insurance premiums for liability insurance for the Town of Gulf Shores in order to provide coverage in excess of the statutory limits on tort liability as set forth in Code of Alabama 1975, Section 11-93-2.

I do hope that this response fully answers your inquiry. If, however, we may be of further service, please do not hesitate to contact us.

Sincerely yours,

CHARLES A. GRADDICK
Attorney General

By-

A handwritten signature in cursive script that reads "Carol Jean Smith".

CAROL JEAN SMITH
Assistant Attorney General

CJS/sa
Enc.

THE ATTORNEY GENERAL

STATE OF ALABAMA - MONTGOMERY, ALABAMA 3



WILLIAM J. BAXLEY
ATTORNEY GENERAL

December 29, 1977

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Mr. James S. Satterfield
Chairman, St. Clair County Commission
County Courthouse
Ashville, Alabama 35953

St. Clair County - Act #673,
1977 Acts - Limit of liability
for tort - Insurance

Dear Mr. Satterfield:

The question presented in your inquiry of December 16, 1977
is as follows:

"Please review Act No. 673 passed by the 1977 Legis-
lature which limits the county's tort liability, and
give us your opinion as to whether the Commission
may purchase insurance in excess of these amounts."

Act No. 673, 1977 Acts, page 1161 stipulates the maximum liabil-
ity for bodily injury and property damage against a govern-
mental entity. Section 2 of said Act provides as follows:

"The recovery of damages under any judgment
against a governmental entity shall be limited to
\$100,000.00 for bodily injury or death for one
person in any single occurrence; recovery of da-
mages under any judgment or judgments against a

Mr. James S. Satterfield

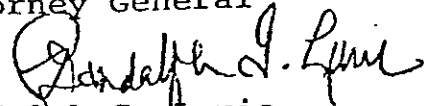
December 29, 1977
Page Two

"governmental entity shall be limited to \$300,000.00 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence; recovery of damages under any judgment against a governmental entity shall be limited to \$100,000.00 for damage or loss of property arising out of any single occurrence. No governmental entity shall settle or compromise any claim for bodily injury, death or property damage in excess of the amounts hereinabove set forth."

It is the opinion of this office that, since the liability is limited, the excess insurance coverage would serve no practical protective purpose, and payment of premiums for coverage beyond the prescribed limitations would not be in the best interests of the citizens of St. Clair County.

Yours very truly,

WILLIAM J. BAXLEY
Attorney General
by-


Randolph G. Lurie
Assistant Attorney General

RGL:cd